

SHARING THE VISION

CITY OF FRESNO



FRESNO
CALIFORNIA'S
NEW FRONTIER

Annual Report

TO THE COMMUNITY

JAN. 1, 2004



A SPECIAL REPORT PAID FOR BY THE CITY OF FRESNO

Fresno's Capitol Reconnection

City's Reputation Growing in D.C., Sacramento

The City of Fresno made tremendous strides in 2003 to firmly plant itself on the radar screens of policy-makers in both Washington D.C. and Sacramento.

Thanks to the use of Best Practices, sound leadership, and increased lobbying, Fresno took its status to the next level in the respective Capitols. Mayor Alan Autry personally took the lead on this quest for reconnection. He walked the halls of Capitol Hill in Washington, D.C. to "knock on doors" in order to seek funding, voice the City's concerns, or simply show Legislators the City of Fresno will not be ignored. Other City Department Directors have followed suit.

And Lawmakers have responded. The City has received Federal Empowerment Zone designation and its final expansion for the California Enterprise Zone. These designations give new or expanded business tax credits and incentives to companies



Governor Arnold Schwarzenegger poses with Mayor Alan Autry



Mayor Alan Autry greets President George W. Bush during the President's visit to the City

doing business in Fresno. The credits then allow each business to keep more of their finances to reinvest into their operations. During the fiscal year, local companies benefited from more than \$30,000,000 in tax credits.

Fresno Yosemite International Airport received \$13 million in grants from the Federal Aviation Administration. This money will help to fund security improvements as well as the development of an air cargo terminal.

In February the City received more than \$1 million in funding from the Federal Government. \$450,000 of that went for facilities construction of Roeding Business Park. The Park, when completed, has the potential to create over 20,000 jobs. The remaining \$600,000 went to the expansion of the City's fleet of clean air buses.

It was no coincidence that Fresno saw several visits from prominent State and

Federal lawmakers in 2003.

For the first time in years, the President of the United States visited Fresno. President George W. Bush held a reelection luncheon fundraiser in Downtown Fresno in October. This event was one of the President's first on the 2004 campaign trail and wrapped up his visit to the Central Valley.

Perhaps the most memorable part of the Presidential visit was the invitation the President extended to Mayor Alan Autry on his limousine ride to an event south of the City. The Mayor had an opportunity to speak with the President uninterrupted for most of that trip.

"He didn't just invite me into that limo," Mayor Autry would later say. "He invited the entire City of Fresno into that car as a way to recognize all the hard work and positive achievements that are happening here."

The City's growing reputation has lead to similar events on the state level as well.

Then candidate Arnold Schwarzenegger chose Fresno as the starting point for his statewide tour during the 2003 Recall election campaign. Introduced by Mayor Autry, Schwarzenegger commented that the

success this City has achieved needs to be duplicated statewide.

After his election, Schwarzenegger appointed Mayor Autry to his transition team to ensure that the needs and concerns of Fresno and the Central Valley would not be ignored.

This recognition from the State's highest office followed on the heels of the successful lobbying of The California Infrastructure and Economic Development Bank in Sacramento in August. They awarded the City and the Redevelopment Agency \$4.5 million in very low interest loans to complete the infrastructure of Roeding Business Park.

This success led to selection of Mayor Alan Autry to serve on the United States Conference of Mayor's Advisory Board. This group represents Mayors from cities with populations of 30,000 or more.

The Mayor's remarks after hearing of his selection best sum up the accomplishments and recognition this City has achieved in 2003.

"This vote affirms the respect our City has earned throughout the country," Mayor Autry said.

"This is a victory for all hard-working Fresnoans that love this community."

Realizing the Vision



Alan Autry, Mayor

Fresno experienced unprecedented change in the way it does business throughout 2003. We made substantial progress while battling against, and preparing ourselves for, the uncertain but inevitable economic storm from Sacramento.

Thanks to a remarkable team effort, our City kept moving steadily forward. With resolute commitments from every City Department and our ever-growing list of community and regional partners, WE accomplished some great things this past year.

During a time that we were being recognized by our peer cities as the most prepared city in California to deal with the state budget crisis, we established a solid foundation built on the cornerstones of: Maintaining Essential Services (with emphasis on public safety), Investment in Job Creation through Economic Development, Increased Investment in Neighborhood Infrastructure, Commitment to Education, and Protection of the City's Reserves. We had a clear vision of our destination and never lost sight of that purpose.

While other major cities in California were eliminating staff positions that could negatively affect services to their citizens and attempting to dig out from multi-million dollar deficits in order to make ends meet, Fresno kept right on working. This was accomplished despite the fact that two outside entities reported that the City of Fresno was clearly understaffed in many areas. Despite limited resources and with the help of a dedicated City staff and persistent team of civic partners, we looked for best practices nationwide to help us fine-tune our operations. We proactively cut 2.5% from each department while preserving the existing City workforce. We are proud to report that all essential services were preserved, we did not lay off a single employee and we maintained the City's reserve fund, which now stands at \$8.5 million. (An unprecedented feat in these treacherous economic times.) However, during turbulent times such as these, severe cuts remain an omnipresent threat that we will fight to avoid in order to continue to deliver the quality city services you deserve.

As we proudly acknowledge our successes, we nevertheless have had our share of challenges. Fresno took some devastating hits from State government in 2003. We lost \$5.1 million in Vehicle License Fee (VLF) backfill funds in 2003 that were deferred to a future date with the potential of losing another \$13 million that would be used for Police, Fire and other City services. Although the VLF was restored through an executive order signed by Governor Schwarzenegger, we must remain vigilant. This will be a yearly battle that we must not lose. We will redouble our efforts and join with our strategic partners to meet this challenge head on.

In order to sustain our progress, we will continue an ambitious course for Fresno. We will maintain our focus on several critical issues that include:

- Education
- Public Safety
- Economic Development
- The City's General Plan
- Community Relations
- Communication within City Hall
- Regional Initiatives

Our alliances will continue to help fuel our success. With partners like the Regional Jobs Initiative, Operation Clean Air, Fresno Business Council, League of California Cities, City of Clovis, Fresno County, the Greater Fresno Chamber of Commerce, the Collaborative Regional Initiative, the United Way, the Redevelopment Agency, the Fresno City Council, and most importantly you the citizens of Fresno, there is no goal we can not accomplish.

See Autry

continued on page 3

City's Job Growth Tops in State, Nation

The City's hard work and dedication to job creation and growth has begun to pay off. In 2003 Fresno topped the lists of two major job rankings.

According to then-Governor Davis' May 2003 Budget Revision, the City of Fresno trailed only Riverside in metro area job growth statewide. In other words, for non-agriculture based jobs, Fresno moved faster and grew more than most other cities in the Golden State.

Those Budget figures measured the percent change in job growth from March 2001 to March 2003. The graphic clearly showed Fresno outpacing such cities as Bakersfield, Modesto, San Diego, Stockton, Los Angeles, and San Francisco.

This state report was then followed up with national recognition for job growth in June.

The Santa Monica-based nonprofit, independent economic think tank Milken Institute

ranked Fresno in the top 10 in the country for job growth. This ranking was based on employment growth since December 2001.

The City's number 8 ranking takes on even more significance considering Fresno was rated against the Nation's 200 largest cities.

According to the Milken Institute Report, "The story in (the 2003) rankings is the dominance at the top of so many medium-sized cities that have seen steady growth in recent years. These include Anchorage, Alaska, Houma, Louisiana and Fresno, California."

"As a community, we should always be able to acknowledge our achievements," Mayor Autry said of these rankings.

"It's good for the soul and it's certainly not going to lessen our determination to achieve even greater success."

The Milken Institute Report

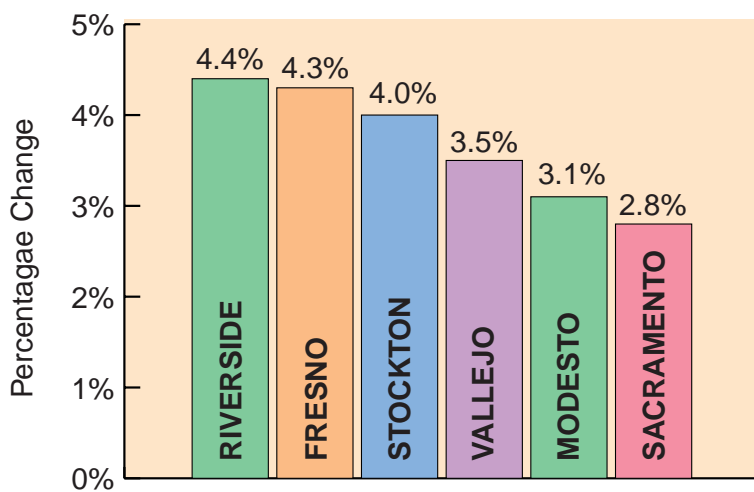
June 25, 2003

Fresno – By The Numbers

Measurements	City's National Rank
Short-term Job Growth - (December 2001 – December 2002)	8 th
One-Year Job Growth (2001-2002) -	15 th
Five-Year Job Growth (1997-2002) -	35 th
One-Year Wage & Salary Growth - (2001 – 2002)	19 th

Fresno's Overall National Rank - 32nd

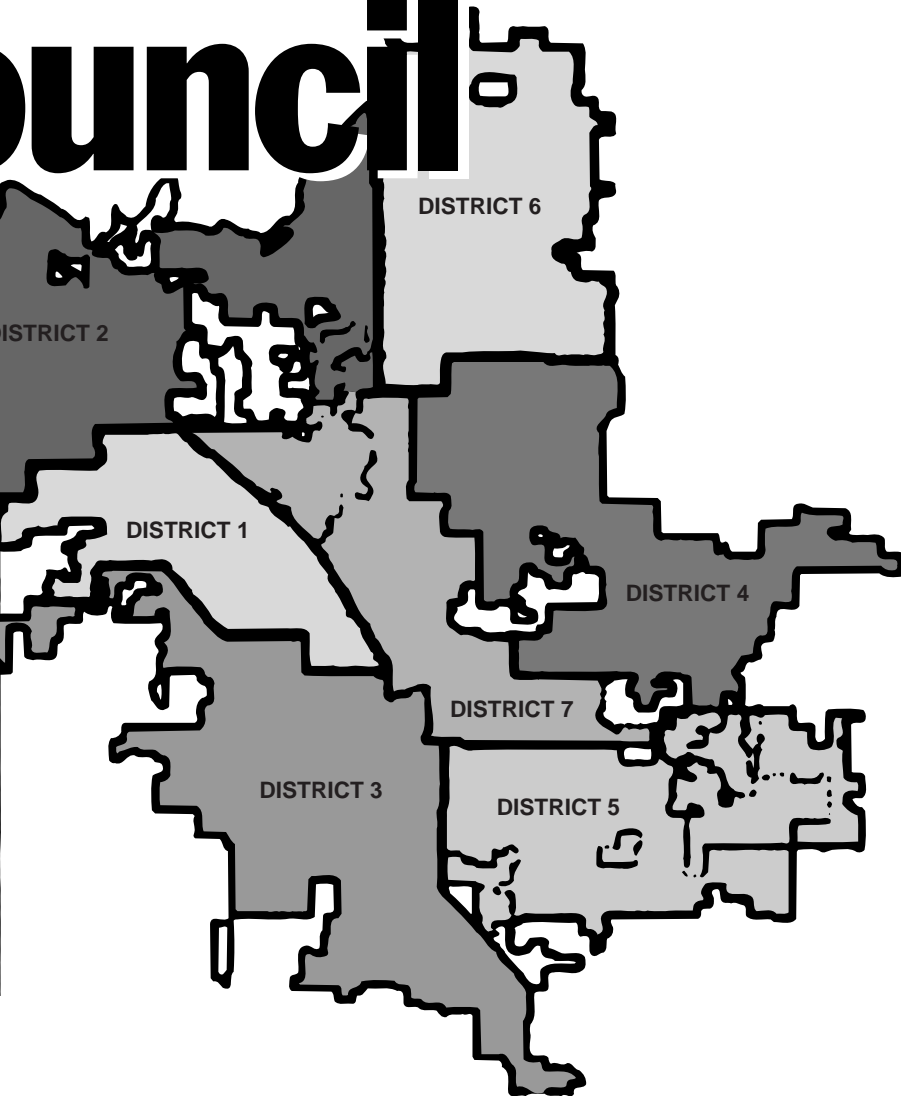
Metro Area Employment Growth March 2001-2003



Fresno City Council



Fresno City Council (from L to R) Cynthia Sterling, Jerry Duncan, City Attorney Hilda Cantu Montoy, Mike Dages, Tom Boyajian, Henry T. Perea, City Clerk Becky Klisch, Brian Calhoun, Brad Castillo



Council District 1 – Council President Tom Boyajian	Council District 3 – Councilmember Cynthia Sterling	Council District 5 – Councilmember Mike Dages
Council District 2 – Councilmember Brian Calhoun	Council District 4 – Acting Council President Brad Castillo	Council District 6 – Councilmember Jerry Duncan
		Council District 7 – Councilmember Henry T. Perea

Jobs Initiative Hard at Work

In the Meeting the Challenge report prepared by the Mayor’s Task Force on City Efficiencies and Revenues and released January 1, 2003, the most ambitious recommendation was that the City of Fresno take the lead in creating 25,000 - 30,000 net new jobs over the next five years. But this new goal, which was quickly endorsed by the City leadership, was at a much larger scale than anything the City could do by itself.

Instead, a regional project was needed. This collaboration was to include leaders from private industry, the City of

Fresno, the City of Clovis, and the County of Fresno. This group was formed in March 2003 and became known as the Regional Jobs Initiative (RJI).

The group’s first goal was to hold a Regional Jobs Summit. This meeting was held on September 12, 2003. Over 280 volunteers, mostly from the private sector, got together to ask tough questions and discuss how such an ambitious goal of 30,000 new jobs could be reached. What they came up with was the Fresno Regional Jobs Initiative

Implementation Plan.

The Plan laid out in specific detail how and where the 25,000 - 30,000 new jobs would be created and what specific steps would have to be taken. As a result, programs are being designed to train and hire those currently living in the Fresno area who are either unemployed or underemployed. Once the program is completed, the result will be the creation of jobs with an expected average annual salary of \$29,500.

This huge task requires the full, focused attention of every agency of

government - from schools, cities, Fresno County, the State and Federal governments. The RJI plan is creating the institutional infrastructure to move forward by adopting some very simple, but hard to practice principles.

To be successful, the leaders of the Greater Fresno area recognize that this Jobs Initiative must be implemented across the region.

The plan keeps in mind that most jobs are created by the private sector. Those jobs, in turn, help the public sector in their job creation and retention

efforts. This is why the overall effort is a public-private partnership.

The RJI Implementation Plan recognizes the need to aggressively and effectively advocate these initiatives in Washington DC and Sacramento. In order to accomplish this, the citizens of Fresno need to be their own watchdogs. The residents of this City must insist that this effort not slip in priority or allow the indifference about our economic needs to ever occur again.

Building the Foundation

Autry Administration Accomplishments for the First Three Years

JOB CREATION - ECONOMIC DEVELOPMENT

- Instrumental in Creating the Regional Jobs Initiative - A regional collaborative whose goal is to create 30,000 new jobs in 5 years
 - Secured the City’s Federal Empowerment Zone
 - Secured a 5-year extension of the State Empowerment Zone
- (Both give incentives and tax credits to help business growth and expansion)*

EDUCATION

- Created the Mayor’s Office of Education to ensure the objectives of youth development and job readiness are promoted
- Juvenile Accountability Ordinance Implemented (November 2001) and led to an overall 6% decrease in crimes reported during school hours in its first year of enforcement
- Secured a 30-month After School Technical Assistance Program from the National League of Cities *(only 1 of 8 nationwide)*

PUBLIC SAFETY

- Reorganized the Police Department, which resulted in 57 additional officers on the street and the creation of a Street Violence Bureau
- Obtained a Universal Hiring Grant, which will provide money to hire 92 new Police Officers over the next three years
- Celebrated the 1st place award to the Police Department from the 1st Annual California Law Enforcement Challenge, sponsored by the California Highway Patrol. The award recognizes departments that excel in traffic safety, targeting DUI, and speed and seatbelt violations

BUDGET- CITY HALL

- Maintained City Services, despite the State Budget crisis. Reduced the 2004 Budget by \$13.6 million with NO layoffs
- Created the Labor Management Task Force to improve labor-management relationships
- Mayor’s Office has successfully partnered with congressional representatives to acquire \$2.3 million in transportation funding for clean fuel buses and Handy Ride vehicles.

HOUSING - REAL ESTATE - DEVELOPMENT

- Adopted the 2025 General Plan, which called for smart growth and regional planning. The General Plan had not been updated since 1984
- Negotiated a memorandum of understanding with Fresno County on 20-year S mart Growth boundaries
- Secured the California Veterans Home project for California Avenue. This project will bring in 300 jobs with an annual payroll of \$14 million and \$7 million in purchases of goods and services

QUALITY OF LIFE

- Actively worked to help create Operation Clean Air. This group includes many sectors of the community working together to find voluntary measure to clean the air and preserve local business
- Added over 160 Clean Air vehicles to the City’s fleet. The City’s FAX was one of the first in the nation to put hybrid electric buses into service
- Set aside over \$18.5 million in the 2004 Budget for Neighborhood Infrastructure Improvement investment. *(This is the largest amount in the history of the City)*

Parking Made Easier

The face of parking in Downtown Fresno received a major overhaul in 2003. Gone are the days of one all-encompassing enforcement plan. Now, parking in Downtown is friendlier to businesses and visitors alike.

The City changed its parking plan with the help of residents and business owners. Five open houses were held in July 2003. Anyone with a concern or question about Downtown Parking could go, speak their minds, and participate in the process of developing a new plan.

As a result, the City rolled out a new, seasonal parking plan in August. The rates and hours of enforcement now depend on Baseball season.

When the Fresno Grizzlies are playing (April 1 through September 30 for the purposes of the plan) Downtown Fresno is broken up into the Fulton Mall Specific and Non Mall areas. In other words, the area around Grizzlies Stadium will have different hours of enforcement compared to other parts of Downtown Fresno.

This change allows for more stadium visitors to use designated parking lots.

For more information on the City’s parking plan, log on to the City’s website at www.fresno.gov.

Parking On/Off Street Meters

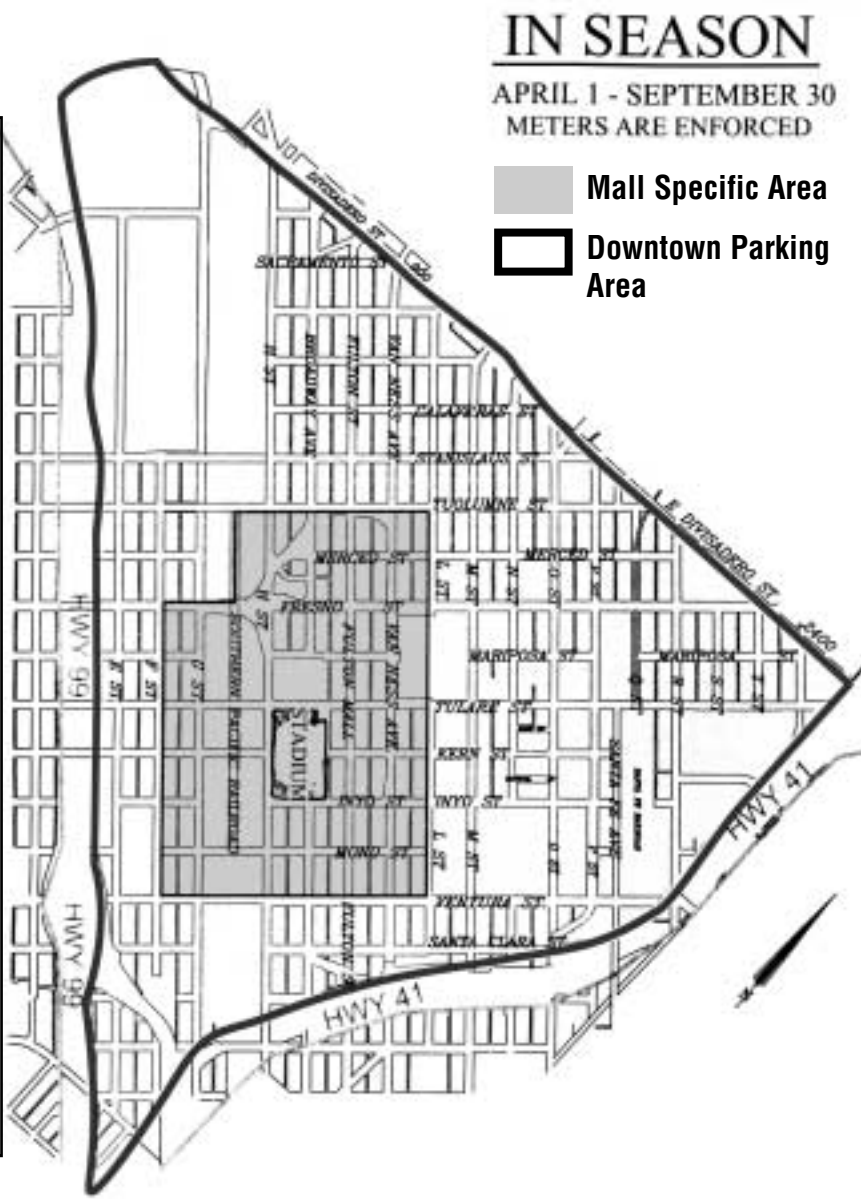
IN SEASON
April 1 through September 30

FULTON MALL SPECIFIC AREA - ENFORCED 6AM - 10 PM
Monday through Saturday, Sundays and Holidays, 1PM - 10PM.

NON MALL AREAS - ENFORCED 6AM - 6PM,
Monday through Saturday. Sundays and Holidays Free.

OFF SEASON
October 1 through March 31

ALL DOWNTOWN AREAS - ENFORCED 6AM - 7PM,
Monday through Saturday. Sundays and Holidays Free.



Getting Even Tougher on Crime

Saving lives and a safer Fresno continue to be the biggest motivators for the Fresno Police Department. Even in tight fiscal times, Chief Jerry Dyer and the men and women of the Department spent 2003 working to make sure their resources were focused on achieving these goals.

Thanks to a close working relationship with the community, the Department's efforts have paid off. While most large cities in California have seen increases in overall crime, Fresno's overall crime has been decreasing. 2003 data shows violent crime dropped by 6.9%, property crime was down 8.8% and the City's overall California Crime index reflects an 8.6% reduction from January through November 2003. Innovation and flexibility have been the keys to the Police

Department's battle against crime. Operations are continually reviewed to make sure the Department is getting the most out of its available resources.

As a result, the Investigation Division was reorganized and a Street Violence Bureau (SVB) was created. The SVB now provides rapid, around the clock efforts to quickly arrest those who commit violent street crimes such as residential robberies, car jackings, homicides, and crimes where a gun is used. In its first 6 months, the SVB removed numerous serial robbers, bank robbers, murderers, and other serious violent offenders from our City streets.

The Street Violence Bureau works together with District Crime Suppression Teams (DCSTs) assigned to each of the City's 5 policing dis-

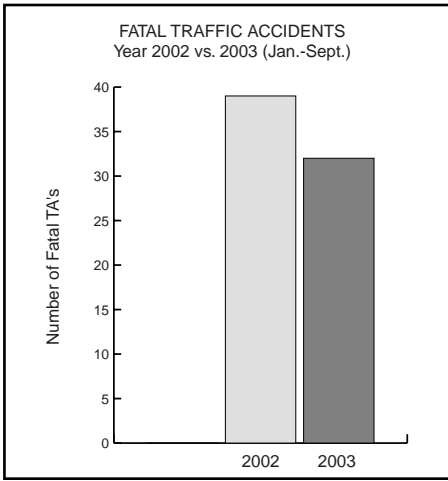
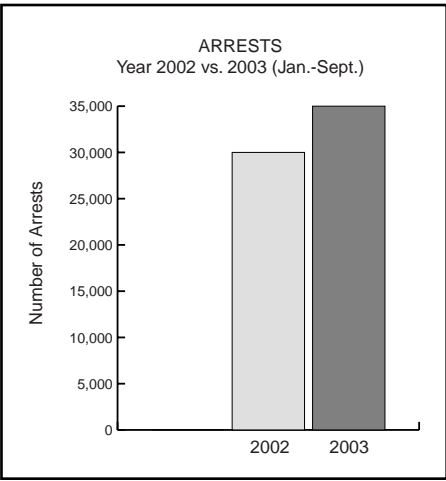
tricts. Each DCST focuses their efforts on violent crimes associated with gangs, drug sales, and parole violators. Throughout the year they worked hand in hand with patrol officers to give immediate response to crimes in progress. In the first 6 months of 2003, they made nearly 1,500 felony arrests and confiscated more than 50 guns.

Another big improvement to Public Safety in 2003 was the Department's commitment to traffic enforcement. In 2002 there were 52 fatal traffic collisions in Fresno. The City and County leaders forged an innovative citation revenue sharing agreement to address this serious issue. As a result, the Fresno Police Department nearly doubled the size of its Traffic Enforcement Unit.

The now-larger Traffic Enforce-

ment Unit added 20 new BMW motorcycles to its fleet this year with the help of a \$570,000 grant through the Office of Traffic Safety. This has created dramatic, lifesaving results. Fatal accidents are down 20% and drunken driving accidents are down 24%.

The Department continued to mentor the youth of this City in 2003. DARE officers merged with the Police Activities League to present a program called "Life Skills." The program helps young people gain character, knowledge and skills needed to fight the negative influences they may face. In addition, the Police Department created a "Buddies" mentoring program to partner positive role models with at-risk youth. Volunteers and other law enforcement agencies have made a one-year commitment to spend time each month with their "little buddy."



Fighting Fires Faster

Time is a critical factor when a fire breaks out in your home or business. Fire losses mount as response times increase. Fire grows at an exponential rate from the time it ignites until all combustible material is free burning. The City of Fresno Fire Department is working hard to shorten an already fast response time. The FFD. knows that, in a fire, every second counts.

The Fresno City Fire Department has been challenged to keep pace with growth, increased calls for service, new technology, job-related diversity, and improved customer service all within continued budget constraints. They believe this community expects a quality level of emergency service and code enforcement.



That's why the Fire Department's plan is to work even harder to provide faster emergency response to the residents of this City. Their new goal is to reach every incident within 4 minutes, 90 percent of the time.

To meet that objective, the Department has out-

lined a plan including building new fire stations, adding emergency response units, and adding personnel to meet this nationally accepted response criteria. To ensure they are providing service based upon national "Best Practices," the Department started the Fire and Emergency Self-Assessment Process. Its purpose is to examine all aspects of daily operations to improve efficiency and effectiveness.

For the second consecutive year, the Fresno City Fire Department budget has grown in order to better meet the needs of the community. Of 29,000 calls for service received in 2003, approximately 2,200 calls were fire related. Those fires caused losses in excess of \$30 million dollars. This equates to a per capita fire loss of \$68 per resident. The remaining calls were for medical emergencies.

The Fresno Fire Department is focused on becoming a nationally accredited fire agency. They believe the citizens of Fresno deserve nothing less.



New Faces In City Management

The City of Fresno held several nation-wide searches throughout 2003 to find the most talented individuals to fill key management positions and aid the growth of this City.

These individuals have joined a hardworking team of Directors, Managers, and staffers who work tirelessly to make this a World Class City.

The City's Public Works Department handles everything from curbs and gutters to parking and traffic. In March, Jon Ruiz was hired to direct this department.

Ruiz had spent the last 8 years as the Public Works Director in Ogden, Utah. In addition to that work, he built public transportation and safety networks in Northern Utah for the 2002 Winter Olympic Games.

In 2001, the American Public Works Association recognized Ruiz as one of the country's top ten Public

Works leaders. He also boasts an impressive academic record. He has a Masters Degree from the United State



Jon Ruiz

Army War College and attended the Harvard University Senior Executive Program. Ruiz is also currently serving

ing as an interim Assistant City Manager.

The City's Park, Recreation and Community Services Department welcomed its new Director in June. Nanette Smejkal was hired to lead this department which oversees all City parks, The Chaffee Zoo, and the City's new Regional Sports Park.

Smejkal spent the previous 4 years

as the Parks and Recreation Director for the City of Flagstaff, Arizona. In addition to that experience, she worked



Nanette Smejkal

also in Parks and Recreation Departments in Glendale and Scottsdale, Arizona as well as Richmond, Indiana. Smejkal also boasts an impressive academic record. She possesses both a Bachelor's and Master's Degree from the University of Arizona.

The City of Fresno's newest Fire Chief was the final Department Director hired in 2003. Chief Randy Bruegman was sworn in to lead the F.F.D. on September 15, 2003.

Before Fresno, Bruegman served

as Chief for Clackamas County Fire District #1 in Oregon. Prior to that, he served in fire departments in Colorado, California, Illinois, and Oregon.



Randy Bruegman

Perhaps the most impressive accolade for Chief Bruegman is his recently completed tenure as the President of the International Association of Fire Chiefs. As head of that organization, Bruegman testified before Congress in Washington, D.C. and served as their National spokesperson.

These three individuals are examples of the top talent Fresno continues to recruit.

Autry

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Few would disagree that education is the fundamental issue affecting the survival, growth and health of any City. The future vitality of Fresno is inextricably connected to the quality of our education system and we have no higher purpose than to assure its responsiveness to our unique and dynamic needs. We will dedicate ample attention and sustained effort to our relationships with the school districts that affect Fresno. We will devote City resources that will work with them to help develop charter schools and the establishment of schools as community centers. Be assured, however, we will not shrink from our sworn responsibility to hold ourselves as well as the public school systems accountable for providing equal access to quality of education for all our children.

The concern for public safety remains one of our highest priorities. We will continue to invest in long neglected Fire Department infrastructure improvements. We will also utilize the newly formed Public Safety Commission to find ways to fund the needs of both the Police and Fire

Departments.

Although Fresno has surged to 8th in the nation in job growth over the past three years, we need to create more jobs. Our community has been burdened with double-digit unemployment far too long. Working with the Regional Jobs Initiative, 25,000 new jobs will be created over the next five years. We will also continue the creation of Roeding Business Park and work to attract more companies that will take advantage of the City's Federal Empowerment Zone designation. We will continue our focus on the renaissance and redevelopment of Downtown Fresno.

Internally, we will continue to find new and creative ways to provide a positive work environment for our employees. The extraordinary achievements we are experiencing through our work with the world-renowned Pacific Institute organization is changing forever the way we think about how we serve our valued and varied customers. We will also build on the accomplishments achieved by our Labor/Management Task Force and show that management and labor can forge a strong relationship. I will continue my commitment to make myself personally available to listen to your concerns through

many avenues, including through Town Hall Meetings and my Open Door Days.

We will also persist in making sure our voice is heard in Sacramento and Washington, D.C. The alliances that have been forged over the past three years will keep Fresno in the fight for its share of legislative appropriations and grants. Concurrently, we will persevere in our effort to secure a State Constitutional Amendment Initiative that will keep more of our local tax dollars here at home.

Over the last three years our City has moved farther and faster than anytime in our history. Team Fresno has become a national story of success. Thanks to a total community effort, the tale of two cities is rapidly becoming the story of one united community dedicated to moving forward. As your Mayor, I am honored and humbled to be part of that team with you.

God Bless you, God Bless Fresno, and God Bless America.

Alan Autry

FROM THE CITY MANAGER

Taking Care of Business

The City of Fresno is a \$726 million a year public services corporation. How have we been positioning this critical public services corporation to serve our community?

With an emphasis on "WE," the following strategic actions have been taken or continued in 2003:



Dan Hobbs, City Manager

1. We have continued to build budgets on the Mayor's four cornerstones:
 1. Maintain essential services.
 2. Invest in job creation through economic development.
 3. Increased investment in neighborhood infrastructure.
 4. Protect the reserves.

2. The City adopted a new 2025 General Plan that creates the future vision for Fresno through the regulation of its land use. Land use drives City economics, which affects so many other aspects of the community. The new General Plan sets limits to urban sprawl and presents a model for "smart growth."

3. Strong Financial management. This year's budget required departments to find way to be more efficient or make cuts of \$13.6 million.

4. City Hall is throwing complete support behind the Regional Jobs Initiatives (RJI) to create 30,000 new jobs. RJI is an excellent example of a public/private partnership resulting in a five-year action plan to create these new jobs.

5. Two years ago, we established a \$10 million emergency reserve for the General Fund to protect us against catastrophe or fiscal crisis. The reserve has been protected, with \$8.5 million remaining. \$1.5 million was applied to the completion of the Roeding Business Park to create thousands of jobs and new businesses in the future.

6. The City is contracting a new solid waste transfer station project that will improve the way we haul and handle trash in the City. As a result, the City will save \$22.4 million over the next 20 years.

7. New executives have been recruited for most department director positions. We have sought the best from the City of Fresno, the Valley, the State and the Nation. Our most recent recruit is the new Fire Chief who is the immediate past President of the International Association of Fire Chiefs and has had a working relationship with President George W. Bush and Homeland Security Secretary Tom Ridge.

8. A Public Safety Commission has been created to take a look at the City's public safety needs and to make recommendations on how to protect our community long-term.

9. Police Chief Jerry Dyer reorganized the Department and put 57 more officers on the street. In addition, he secured the 92 officer COPS grant from the Federal government, and is filling additional vacant slots with officers for traffic enforcement to create a safer community. The results have been outstanding, with significant decreases in major crime.

10. The administration actively supported the Operation Clean Air (OCA) program designed to maximize voluntary measures to clean up the Valley's air. OCA contains representation from government, agriculture and affected industry sectors.

11. A Best Practices Task Force, chaired by the City Manager, pushes issues such as managed competition, outsourcing, privatization, regionalization of services, creating a Joint Powers Authority (JPA), E-gov, and other strategies for improving government. We look at successful models and practices from other cities and apply them as appropriate to Fresno.

We are on the right track and determined to leave a legacy of good government.

Dan

The Year in Review

January

- "Meeting the Challenge" Report Released
- Mayor's Labor Management Task Force is Formed
- Multi-Agency Coalition Battles Crippen Fire
- Police Department starts the new "Buddies Program"

February

- City Website Upgraded
- City Saves \$3.7 million by voluntarily making 2.5% departmental cuts
- Juvenile Accountability Ordinance Review - Overall Crime Down 6%
- Mayor forms Southwest Fire Process Improvement Task Force

March

- Regional Jobs Initiative Created
- City sponsors Historic Preservation Conference
- Fire Department conducts courtesy inspections of City nightclubs after two major fires nationwide
- Grizzlies and San Francisco Giants play in Downtown Stadium

April

- FAX retrofit reduces emissions
- Fleet honored for Best Practices
- Operation Clean Air Holds Inaugural Summit in Downtown Fresno
- Southwest Fire Task Force Report Released
- 1st CA Country Music Festival secured for Fresno

May

- Adopt-A-Spot anti-graffiti program launched
- Plan calling for Highway 99 to become an Interstate is introduced (photo)
- City - ATU Agreement reached
- Governor's Budget revision shows Fresno #2 in job growth in the State

June

- Milken Report shows Fresno #8 nationally in short term job growth
- Mayor Autry selected to U.S. Conference of Mayors Advisory Board
- Downtown Parking Open houses held
- Father of the Year Essay winners announced

July

- Police Department receives New Skywatch Helicopter
- FAX receives 25 new Compressed Natural Gas buses
- 125 New bike racks installed at City Facilities
- Soccer fields open at Mosqueda Center

August

- Regional Sports Complex opens
- New Fire Chief Sworn in
- Infrastructure Bank Loan secured to complete Roeding Business Park
- Americans with Disabilities Act Hotline established

September

- New FAX information number established
- Fraud Hotline established
- Regional Jobs Initiative Summit held
- City celebrates Mexican Independence Day

October

- Police Rec National Training
- Pre-Budget Review
- City Liquor License
- 30th Anniversary by Roeding Business Center



New Sport Park Scores Big



Its goal is to serve as an area for more sports activities to the City. The opening of the City's Regional Sports Complex on Jensen Avenue gives the City of Fresno the very best when it comes to venues for athletic events.

The sound of "play ball" was officially heard on August 2, 2003 during a baseball and softball tournament for boys and girls of varying ages.

Need more stats on this gem of a facility? The Regional Sports Complex is home to a number of brand new softball and soccer fields. Fans to events at the complex get the

best seats in the house in the facility's bleachers. A vendor stand is set up to make sure sports player and spectator can grab a snack before, during or after the games.

If that's not enough, the Sports Complex is the ideal location for tournaments. Soccer and Softball leagues have already signed up to make the new facility their field of choice.

And you can make the Regional Sports Complex your field of dreams, too. Contact the City's Parks, Recreation and Community Services Department for more information.

Honoring Columbia's Crew

It will permanently stand as a tribute to the brave crew of Space Shuttle Columbia. The City's Space Shuttle Columbia Memorial is currently under construction. Once finished it will take a place of honor next to the Space Shuttle Challenge memorial in Woodward Park.

Mayor Alan Autry called for a lasting tribute to be created not long after Shuttle Columbia broke up on reentry on February 1, 2003. "And we are especially saddened at the loss of one of our own, Rick Husband. Our thoughts and prayers are with the families of all."

Fresno State Alum Rick Husband.

"The city of Fresno mourns the tragic loss of seven American heroes," Autry said on February 1, 2003. "And we are especially saddened at the loss of one of our own, Rick Husband. Our thoughts and prayers are with the families of all."

The granite monument will feature the logo of the Shuttle mission as well as a photo of the Columbia's crew. The memorial will be completed and dedicated on the first anniversary of the tragedy on February 1, 2004.

Donations can be made to help fund the completion of the memorial at the following address:

**Fresno City Hall
C/o Space Shuttle Columbia Memorial Trust
2600 Fresno Street, Room 2107
Fresno, CA 93721**

Checks should be made payable to City of Fresno - Columbia Memorial Trust. Tax Identification number: 94-6000338.



Science Gets Rolling

Science is on the move in the City of Fresno thanks to its new ScienceMobile. This state-of-the-art vehicle was rolled out in July 2003. In its first few months of operation the ScienceMobile served 4378 children at numerous public events and completed 1378 service units in after school and during school programs.

It was obtained through a partnership with the Mayor's Office of Education, the Parks, Recreation and Community Services Department, and Fresno Unified School District.

This new Science lab on wheels features mobile lab experiments, tools and workstations, as well as a huge plasma screen to broadcast different science

Making a Difference

The City has doubled the way it gives back to the community. The City employees and management made a joint pact this year to reach deeper into their pockets to help those in the community that are less fortunate. They did this by doubling the number of people who took part in the 2003 Citywide United Way Campaign.

Donation drives took all shapes and sizes! City Hall became the site of the downtown kickoff with an October 6th Kickoff event. With 100% of the City Departments accepting the City Manager's challenge to roll up their sleeves and cook for our employees, the day was a huge success. KMPH Channel 26 personality Kapi Sotiropoulos acted as Master of Ceremonies, thirty United Way-funded agencies attended for the day to answer employee questions, and the crowds enjoyed the food, decorations, music, and City equipment and vehicles. Those vehicles included the new Police Helicopter, the SWAT unit, the Mobile Command Center, the ScienceMobile, and lots more!

The employees at the City's Municipal Service Center improved on the City Hall Kickoff

by increasing the number of raffle prizes, and by providing donated hot dogs and sodas. The Employees at the City's Airports Division were host to the Annual airplane pull, as part of their United Way Campaign Kickoff.

This year's United Way campaign was co-endorsed by both labor and management, reflecting the importance of the employees in a giving campaign. The employees have truly gotten into the spirit of giving and made the 2003 campaign a success.



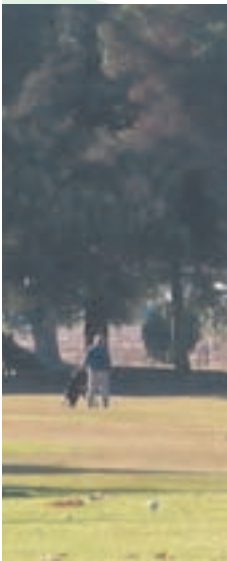


December

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eives Excellence in
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City receives new
Liquid Natural Gas
Refuse trucks

Mayor Autry begins
Truth on the Table
Tour of City Council
Districts

Naming Ceremony
held for the Ernest
E. Valdez Hall



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Middle



New Code Enforcement In Action

A newly formed specialized code enforcement team is now on the job in Fresno. On September 16, 2003, this specialized Conditional Use Permit (CUP) enforcement team was created within the Code Enforcement Division. Its mission is to investigate and manage the most sensitive land use cases while regularly keeping an eye on and inspecting a wide range of

facilities. The team consists of three Standards Inspectors, a legal analyst, and a Senior Services Inspector. The team works the most sensitive land use cases with a strong emphasis on public safety. They coordinate their efforts with the Fire Department and Development Services for all inspections of potentially hazardous operations. To date, the team

has put together an active list of potentially hazardous locations to monitor. The key purpose of the list is to make sure events like the Southwest Fresno Fire do not happen again. The idea for this new strike team came from one of the 24 recommendations made by the Mayor's Southwest Fire Process Improvement Task Force. Mayor Alan Autry formed this

group in mid January 2003 to propose changes the City should put in place to avoid another major recycling fire. The group was comprised of southwest Fresno residents, local activists, past City Council members, and County Officials. The Task Force was co-chaired by Deputy Mayor Roger Montero and Councilmember Cynthia Sterling.

Jobs Grow Where Water Flows



Fresno's first Surface Water Treatment Facility is on schedule and within budget. To be completed in May 2004, this important drinking water facility will support economic development and reduce reliance on diminishing groundwater supplies. The \$32 million state of the art facility will supply potable water to meet the needs of homes, parks and businesses.

The water treatment plant is a key element to the City's Metropolitan Water Resource Management Plan. The outcome of a five agency regional planning effort, the Water Plan was developed to meet current and future water needs, ensuring the availability of a safe and reliable supply through the year 2020. Expandable to 60 million gallons per day, this first phase of construction will supply up to 30 million gallons per day or about 15% of Fresno's current daily water use.

“Economic Development and Healthy Communities need a safe, reliable and affordable water supply” – Mayor Alan Autry



Working for Cleaner Air

It's a collective effort for cleaner air. Mayor Alan Autry has partnered with other community leaders from the San Joaquin Valley in the creation of Operation Clean Air (OCA). OCA is made up of business, government, medical, and other community leaders from San Joaquin to Kern counties. All of OCA's members work to identify voluntary strategies that will improve air quality in the San Joaquin Valley while increasing the Valley's economic prosperity as well.

Through OCA, industry and private sector working groups have developed a variety of incentives designed to improve air quality. OCA strives for emission reduction goals beyond those existing regulations. It also looks for opportunities to create business that is good for the environment and an environment that is good for business.

On April 23, 2003, OCA held its inaugural summit. During this event, a draft Clean Air Action Plan was unveiled to the public. This Plan contains measures from 10 working groups and outlines what companies and businesses are doing to clean the air. It also shows what more they can do. In addition, the Plan attempts to provide some estimates as to the cost of implementing these proposed voluntary actions.

The measures acknowledge the balance between economic viability and environmental stewardship. In the long term, one cannot exist without the other. Beyond the threat of sanctions for not meeting regulatory standards, the health dangers associated with poor

air quality in this region will create significant challenges in attracting and retaining quality jobs and talent.

The momentum continues to build for OCA. Over the next year, Operation Clean Air will be focusing on the following goals:

- Request creation of a special designation for the Valley of an Economic Empowerment Zone, entitled “Air Quality Empowerment Zone.” Its goal will be to add additional resources into the effort, including an assortment of sustainable incentives (such as tax credits) for development, implementation and local manufacturing of air enhancing products and processes and funding for research locally.
- Enhance and expand current efforts to reduce emissions from stationary sources (35% of overall sources) and secure funds to continue and expand those efforts.
- Identify any and all other pollution sources, stationary, mobile and area, for which no current regulatory power exists and outline ways to obtain resources and legislation to address the remaining 65% emission sources.



Operation Clean Air
The San Joaquin Valley Air Initiative

Website
www.operationcleanair.org

The Sky's the Limit

The progress of the City's two airports really took off in 2003. Fresno Yosemite International and the general aviation airport Fresno-Chandler saw steady growth all year long.

Passenger numbers nationwide dropped more than 3 percent for the year, with air cargo growth reflecting no increase over 2003. Very large and very small airports lost service and passengers. But not in Fresno. Fresno Yosemite International (FYI) bucked the national trend by retaining constant pas-

senger numbers over the same time period with NO loss of air service.

The opening of Fresno Yosemite International's new state-of-the-art concourse brought area passengers the convenience of jet boarding bridges to accommodate aviation's transition to newer, more economical jet aircraft.

Two award-winning concessionaires, Anton Airfoods and Hudson Group, have opened up in the new Concourse to provide nationally recognized quality food, news, and gift services into the Valley.

Anton and Hudson have incorporated local themes into the national brands that customers demand. The J. Muir Grille, Sierra Coffee House and Valley Sports Grille and Bar offer local products, reflecting the airport's efforts to provide excellent service and satisfaction to our customers.

FYI and the Federal Transportation Security Administration (TSA) have been actively working to provide safe and secure travel with minimal impact on passengers. This excellent relationship

has allowed the focus to remain improving services to all our customers - airlines, tenants, and the public.

Careful attention to cost containment has kept costs low for airlines and tenants, and has given FYI the ability to allow current carriers to expand as well as attract new airlines to provide additional non-stop destinations.

Summer 2003 saw three different air carriers add a third jet to selected routes. American Airlines to Dallas/Fort Worth, Horizon Air to Seattle, and SkyWest to

Denver.

FYI was awarded almost \$13 million in federal grant commitments from the Federal Aviation Administration in 2003. This substantial grant award, a historic high for an airport our size, will be used for ticket area security improvement planning, air cargo development, and future terminal improvement design. At Fresno-Chandler, a portion of the award will be used to rehabilitate the terminal building and complete security improvements begun last year.



CHAMBER AD

Speaking Your On-line Language

The City completed a major web site redesign in 2003. The site now boasts a variety of improvements and is better organized to provide the foundation for future online services.

The staff of the Information Services Department worked to improve ADA (Americans with Disabilities Act) compliance. These new improvements include a more consistent layout with easier to read font and a color scheme. The site is now easier to use and contact information appears in the same locations.

Another part of the City’s facelift to its website gives you the ability to access Fresno online in 12 different languages. With the click of a button, this new feature translates every page on the site into the language choice you select.

These additions use newly developed technology and will be continuously improved as the additional elements are designed.

If you’re a resident who does not have Internet access at home, don’t worry. All City Parks and Recreation

facilities have Internet connections available to the general public.

Thanks to this improved functionality and accessibility, about seventy-five percent of City job applications are now received online.

A single web page allows citizens to send email to any City Department, Official, or Council member and a more powerful search feature provides easier access to all website information.

If you haven’t already, you should check it out. You can visit the City’s web site at www.fresno.gov.



Driven With New Technology

It is no longer your ordinary bus service. Fresno Area Express has implemented new strategies aimed at improving its level of service.



Passengers who now use FAX for work, school, and other destinations know when their next bus will arrive thanks to new electronic arrival and departure displays at all major transfer centers. These electronic signs provide customers with “real time” arrival and departure information through the use of global positioning satellite (GPS) technology. In the future, this technology

will allow passengers to access route and schedule information via the Internet.

The introduction of GPS-based technology has also contributed to an improvement in the level of security provided to the riding public and City employees by using new alarms. These systems allow FAX to monitor conversations occurring on the bus to assess an emergency situation and assist law enforcement. More importantly, this new technology helps to better allocate and manage resources through various reports that measure performance indicators such as schedule adherence based on route, coach run, time, driver, etc.

Passengers should also notice the use of new buses powered by compressed natural gas (CNG). These buses are equipped with the latest technology including a four-camera video surveillance system, alloy wheels, automated

announcement system, upholstered seats, anti-lock brakes, environmentally friendly climate control system, and an AM/FM stereo.

The Handy Ride Division has expanded the number and types of vehicles that it uses to address the double-digit increases in passenger usage. Since implementing a new “next day” reservation policy last year, ridership on Handy Ride has increased by more than 29%. This trend continued over the first quarter of this year with the number of passenger trips increasing by another 25%.

To address this phenomenal growth, Handy Ride has added mid-size sedans to its fleet. They are being used to provide transportation for the disabled community who do not require the use of a wheelchair lift. Local taxi services are also used to provide transportation ser-

vices.

FAX customers will soon see other improvements such as new passenger shelters, solar lighting, and three new trolley buses.

On October 7, 2003, City Council awarded a new contract that will be used to purchase 200 new passenger shelters. FAX’s goal is to install all 200 shelters within a 16-month period. They also embarked on a pilot program to test a new solar powered lighting system. These units incorporate overhead lighting and passenger activated strobe lights to signal the Bus Driver that a passenger is waiting. Three new trolley buses that operate on CNG should be delivered in May 2004. They are smaller than a conventional bus and will be used to provide service to routes that do not require the use of a full size bus.

A Force for Improving Labor Relations

The City of Fresno continues to recognize that its employees are its most valuable resource. The largest portion of the City’s Budget is spent on these employees.

In January, the City saw that management and employee organizations needed to maintain a closer working relationship as a result of the growing challenge of the City’s financial situation and the State budget crisis. As a result, Mayor Autry established the Labor Management Task Force (LMTF).

The LMTF is made up of management and representatives from all of the City’s eleven labor organizations. Its mission is to improve labor-management relationships, increase communication with the public and employees, and enhance employee involvement in meeting the challenge of current and future economic and fiscal crises.

This group has already started producing results. In October 2003, the LMTF received a \$78,800 Federal Mediation and Conciliation Service (FMCS) Labor-Management Cooperation grant. The FMCS grant program is a highly competitive, with only \$1 million awarded nationwide to private and public sector labor-management committees.

FCMS Labor-Management grants provide assistance to private and public sector labor-management committees that are organized jointly by employers and labor organizations to improve labor-management relationships, job security, communication, and organizational effectiveness. An additional focus of the legislation is to fund those labor-management committees that involve workers in decisions affecting their working lives.

Communication is also a vital part of the Labor Management Task Force. The LMTF sent a survey to all employees to encourage them to make suggestions on how the City might save money and operate more efficiently. Some of the most frequently identified suggestions include:

EMPLOYEE SURVEY RESULTS - TOP ITEMS IDENTIFIED:

- Energy Efficiency
- Improve Budget Process/Control
- Improve Communication
- Improve Purchasing Process
- Cross-Training, Job Rotation
- Increase Revenues, Fees and Collections

Following the survey, the LMTF sent a message to City employees, thanking them for their suggestions, and confirming that they are listening and taking action on their ideas.



Education Office Making the Grade

It is the office were education and government work side by side. The Mayor’s Office of Education was created to help reunite the City of Fresno with our local education systems. One of the major responsibilities of this office is to work with City departments to ensure the Mayor’s youth development and job readiness objectives are put into action. This Office is the primary liaison to the education community and has provided additional resources and information to City staff in the following areas:

- Joint-use facilities and agreements
- After-school programs
- Job readiness activities
- School safety and crime
- Urban/community planning & school construction
- Transportation & traffic within proximity of schools & parks
- Community schools model
- Use of City facilities by education entities
- Legal/contractual agreements with the school districts

The Office of Education spent 2003 working with community groups, City staff and local school districts to improve the quality of educational opportunities of this City. Here are some of the Office highlights:

Juvenile Accountability Ordinance Tracking - The Fresno Police Department’s Truancy Unit was presented a proclamation at the August 26 City Council meeting to acknowledge their California State Juvenile Officers Association’s Distinguished Program Award. This was timed to highlight the

Juvenile Accountability Ordinance on the week school began for the Fresno Unified School District. After one full year of the Juvenile Accountability Ordinance, overall crime has decreased by 6% during school hours. Specific crimes saw even greater reductions:

- Narcotic offenses decreased 28%
- Structural burglary decreased 18%
- Alcohol related crimes decreased 23%
- Juvenile Offenses decreased 34% (after factoring out citations of juveniles for violation of the Juvenile Accountability Ordinance)

Fresno Compact / Fresno Business Council Business School Task Force - The Office of Education is a member of this task force whose areas of focus are developing business and school partnerships. More than 25 businesses have developed or are being recruited for a partnership with a school through this effort.

The Office of Education has been working extensively with the Parks, Recreation and Community Service Department to evaluate the quality and content of after school programs being provided by the City of Fresno. Goals and objectives are being defined and an evaluation process is being created. These efforts are also being aligned with the Life Skills Program (replacing DARE) being taught in middle schools by the Police Department. This has resulted in cross training and the development of new partnerships with Fresno State and the Mayor’s Fitness Council to incorporate fitness and nutrition activities in after school programs.

After School Consortium - The Office of Education participated in this

effort, which was sponsored by the Fresno Business Council. It focused on the coordination of after school resources within the Fresno area and included participation from local school districts, City of Fresno, Fresno County Office of Education and other community based organizations.

Following the Mayor’s State of the City Speech, the Office of Education provided free voluntary drug testing kits for parents in our Parks and Recreation Community Service Centers. Drug abuse must be looked at as a public health problem in the City of Fresno and the Office of Education will continue to advocate for early intervention with young people who are using drugs. The Pinedale Boy’s and Girl’s Club and the City of Fresno are working in partnership to make these testing kits available for \$10.00. The initial 100 donated kits have been distributed and these new kits are being sold at cost to parents.

Westcare California Inc., a local drug treatment agency has joined with the Mayor’s Office to provide information and support to parents.

Mayor’s Education Policy Advisors Network (EPAN) - The Office of Education is part of the leadership team that brings together senior education advisors who work with Mayors on key issues related to education and school improvement. EPAN is national network designed to support mayoral leadership in education and has 46 member cities in 25 states. Being asked to be on the leadership team of this organization speaks to this administration’s groundbreaking work in municipal government’s participation in youth development.

Our Appreciation to the following Sponsors:

- Fresno Area Hispanic Chamber
- City of Fresno Economic Development Department
- San Joaquin Valley Black Chamber of Commerce

BUDGET & FINANCE

Budget Balanced Despite Lean Economy

Developing the Fiscal Year 2004 budget was challenging given the continuing weakness in the economy and uncertainties concerning the level of funding from the State and Federal governments. The vision for the citizens of the City of Fresno was to build and preserve a City that creates and protects equal access to opportunities, education and quality of life for every Fresnan in every neighborhood.

The budget struck a balance between dealing with today's uncertainties and addressing future needs. By adhering to four primary cornerstones, the foundation was laid for a multi-year strategy that keeps this City moving forward.

1. Maintain Essential Services - Within this budget, the essential services provided by all departments are preserved. A particular emphasis has been placed on the commitment to public safety and the prevention of violent crime. The budget was built to include resources for District Crime Suppression Teams, a Street Violence Bureau and Parole Apprehension Teams. The budget also included resources to fund 251 firefighter positions. We have also been faced with addressing the maintenance needs of our police and fire facilities. The budget proposed a \$7.9 million plan to make much needed improvements to various Police and Fire stations throughout the City. Also, the budget included \$2.7 million for the construction of a Fire Station in Southeast Fresno.

2. Investment in Job Creation through Economic Development - The Fresno area continues to be plagued by an unemployment level that is much higher than state and national levels. The solution to this problem demands a broad perspective and a long-term view. The "Meeting the Challenge" report clearly identified job creation as a key factor of the future health of this City. We must invest in our youth so that they have the educational base to be productive employees. Our fees should be reasonable, so that we encourage businesses to operate in Fresno. Finally, ours should be a safe city where businesses can prosper. The budget continued the commitment to fund these initiatives, which over time will be a giant leap forward in bringing our unemployment levels in line with national and state levels. In addition, a deliberate effort to improve customer service to the development community has resulted in additional resources being added to the Planning & Development Department to improve the turnaround times for the thousands of requests for community construction.

3. Increased Investment in Neighborhood Infrastructure - The City's budget continued the program of neighborhood infrastructure improvement projects, delivering a record level investment of \$18.5 million for concrete, street, sidewalk and gutter repairs in addition to cross-

walks, flashing beacons in front of schools, street lamps and pedestrian walkways. The budget provided \$2.4 million in grant matching funds that reap over \$19 million in projects. It also continued the successful partnership the Autry administration forged with the City Council by funding Council infrastructure budgets, so that Councilmembers could address specific neighborhood needs. In addition, it addressed the needs of neighborhoods to have a community-gathering place by initiating a program to fund pocket parks, and to identify a site and develop the design for a Little League Park in Southwest Fresno.

4. Protect the Reserves - These fiscally challenging times call for common sense and prudent financial decision making. This will allow the City of Fresno to move conservatively yet relentlessly forward, while protecting our reserve. But we must not ignore the need to abide by the fundamental conservative principle of investing in ourselves. The budget did that by investing in job creation through economic development while protecting the reserve.

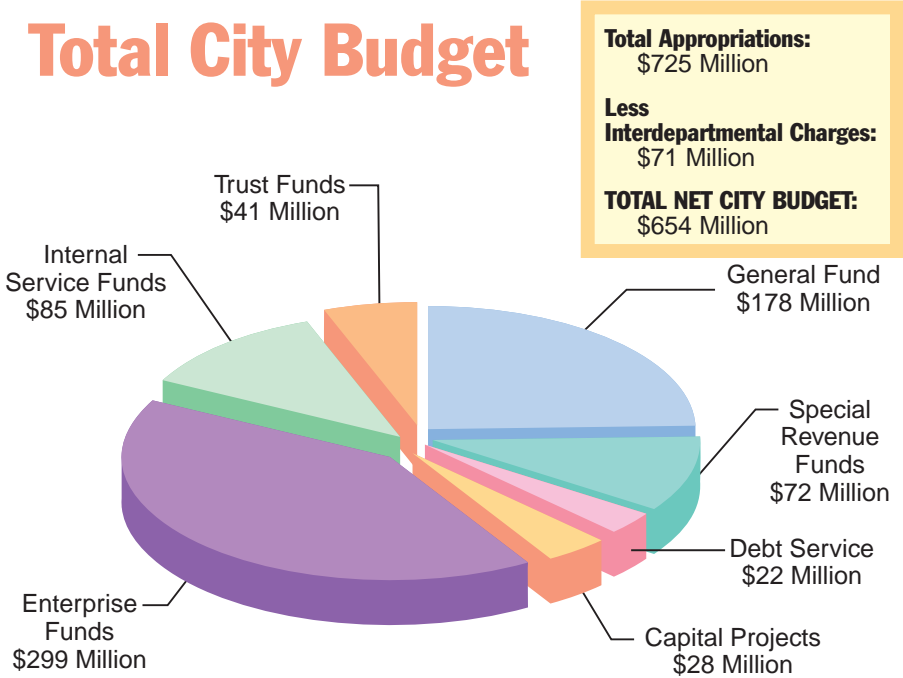
The Convention Center was at a critical crossroad in this year's budget. The Center faced a future of unprecedented issues, which, if left unaddressed, would have had an

Center's multi-million dollar dependency on the General Fund, which in turn freed up much needed resources for our neighborhoods.

Air Quality was another key initiative of this budget that affects eco-

to confirm this promise, legislation was constructed, passed and signed by the Governor to consider the deferral as a loan from cities to the State to be paid back in three years. This language provides local governments

Total City Budget



nom ic development. It includes resources of more than \$11 million for Clean Air Street projects; over \$3 million for Compressed Natural Gas (CNG) buses; \$2.1 million for 12 clean burning fuel refuse trucks; and approximately \$2 million for facility improvements to handle these new clean air vehicles.

Funding for senior citizen initiatives for ongoing programs increased from last year. The budget doubled the funding for senior activities in

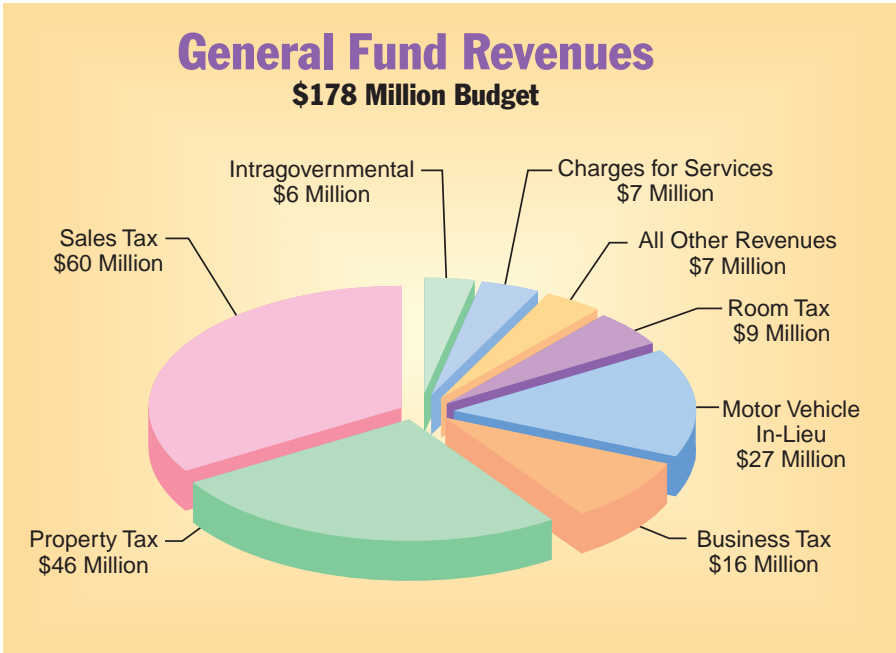
with the option of bonding the amount of the current year revenue loss, using the repayment of the loan from the State as collateral. On August 26, 2003, Council directed action to proceed with the issuance of Bond Anticipation Notes in the amount of \$5.078 million to be paid back by the Motor Vehicle In-Lieu backfill repayment from the State of California.

On November 17, 2003, Governor Arnold Schwarzenegger fulfilled his campaign promise to roll back the "car tax". The Order helps restore California to fiscal integrity and accountability. It also states that the MVLF backfill should be restored and funded through an appropriation from the State's General Fund. The legislature is keenly aware of the public's expectations that the MVLF to tax payers will be reduced, that funds will be paid, and that, as the Governor has promised, City and County services funded by the MVLF backfill will not be harmed. The ultimate impact of the "rollback" could have an additional effect of \$13 million in FY 2004, if legislators do not reinstate the backfill. It is premature to assume at this time that an additional \$13 million in General Fund cuts are necessary. However, the City of Fresno has prepared contingency plans.

To stay proactive, the budget document contained an outline of the unpleasant options the City may be forced to consider. These options include, in priority order: 1) implementing all user fees as originally submitted to Council; 2) seeking employee salary give-backs on a permanent or temporary basis; 3) taking the painful steps of cutting essential City services; and, 4) using part or all of the City's reserve which would leave the City even more vulnerable during the remaining 5-7 years that it will take for the State to climb out of this fiscal crisis.

During Fiscal Year 2003, the City Council initiated a study of all of the City's fees by Maximus, Inc. These fees, for services that are provided to our citizens, number over 3,000 and are included in the City's Master Fee Resolution. The Maximus study was performed for two primary purposes: 1) to determine what changes would be necessary to recover the cost for providing these services; and 2) to determine what changes would be necessary to recover the cost for providing these services. If a fee does not recover the full cost of providing the service, it results in a General Fund subsidy, which sifts funds away from critical, high priority needs such as public safety and job creation.

The Maximus fee study found that over 700 fees were not recovering the full cost of the services provided. However, before an increase in a fee was considered, our Administration required the Department responsible for each service to demonstrate with clarity and certainty that the cost recovery was justified. They also had to show that the services were being provided as efficiently and effectively as possible.



adverse impact upon the Center, the City's General Fund, the City's efforts towards downtown revitalization and job creation. To address this, the budget included the privatization of professional marketing and operating services for the Convention Center. Anticipated savings will be utilized to fund debt service payments for \$10 to \$12 million in capital improvements and renovations of Selland Arena. However, as the first payment for these renovations will not be made in Fiscal Year 2004, savings in the first year will be used to fund neighborhood infrastructure projects, offsetting a loss of State funding. No issue will have a greater immediate and long-term impact on the City of Fresno than the Convention Center. Privatization was the only way to reduce the

neighborhood parks and maintained Fresno's commitments to its Senior Therapeutic, Senior Paint and Emergency Repair grants. Due to a large drop in donations, the City greatly increased its contribution for the Senior Hot Meals program.

While this budget was built on conservative estimates, we cannot predict what the State and the Federal governments will do with some of the funding sources used to build it. Of particular concern is the vulnerability of the Motor Vehicle License Fee (MVLF) revenues. The State continues to grapple with its budget situation and the possibility remains that the State will use local MVLF revenues to balance its books. For Fresno it would mean up to an \$18 million reduction in revenue to the General Fund.

Fresno marched in step with the majority of California cities in assuming no reduction in MVLF revenues in the Budget. State budget action taken after the adoption of the City Budget resulted in a deferral in MVLF revenues of \$5.078 million. In their FY 2004 budget, the State makes a commitment to payback the deferred revenue. In order

At a Glance: Selected Citywide Statistics from 2003

Visitors Attending Convention Center Events **880,439**



Non-Emergency Calls to Police Department **75,847**

Total Waste Tonnage Collected **298,600**

Building Inspections Conducted **87,195**

Acre feet of Water Recharged **50,706**

Fire Department Calls For Service **29,269**

Children Educated in Fire Safety **27,500**

City Vehicle Repairs Made **24,160**

City Trees Trimmed **17,180**



Job Applications Received **10,875**

Public Parking Spaces In Downtown Fresno **6,764**

ADA Curb Ramps Installed **1,140**

Total Convention Center Events **669**



Miles of Streets Resurfaced **87**

Miles of Sidewalks Replaced **57**

Frequently called numbers

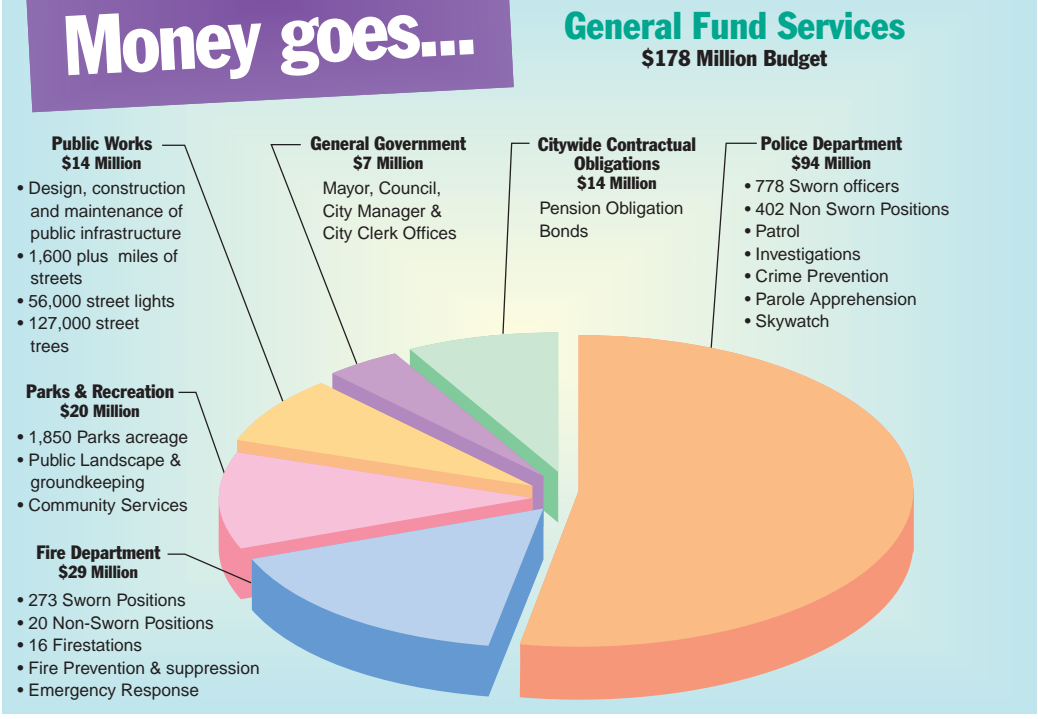


Mayor and City Council.....	621-8000
Americans w/Disabilities Act Hotline.....	621-4232
Arson Hotline:	498-2776
After-Hours City Emergency	621-1100
Blocked storm drains, flooding	621-1492
City code violations.....	621-8400
Dog licenses	621-6880
FAX bus schedule	621-1122
Garbage, sewer or water bills	621-6888
General Information	621-4636
Graffiti Hotline	621-8247
Job line	621-6999
Police non-emergency line	621-7000
Recycling Hotline	621-1111
Traffic signals, light repair.....	621-1492
Trash pickup information	621-1452
Water info/emergency	621-5300



Website: www.fresno.gov

Where your Money goes...



CITY OF FRESNO Annual Report TO THE COMMUNITY JAN. 1, 2004

City Manager	Daniel G. Hobbs
Assistant City Managers	Andrew T. Souza Jon Ruiz
Public Affairs Officer	Matthew Otstot
City Attorney	Hilda Cantu Montoy
City Clerk	Rebecca Klisch
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Convention Center	Michael Sweeney
Economic Development	Fred Burkhardt
Fire	Randy Bruegman
General Services	Ken Nerland
Information Services	Robert Hendricks
Parks and Recreation & Community Development	Nanette Smejkal
Personnel Services	Adela Gonzalez
Planning & Development	Nick Yovino
Police	Jerry Dyer
Public Utilities	Martin McIntyre
Public Works	Jon Ruiz
Transportation	Noah Lagos

Redevelopment Agency	Dan Fitzpatrick Marlene Murphy
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